

NSC BRIEFING

8 May 1957

INDIA'S FIRST COMMUNIST STATE GOV'T

I. In India's second nation-wide elections (Mar '57), Nehru's Congress Party retained its firm control over parliament, also managed to retain absolute majorities in 11 out of India's 13 State Assemblies.

A. Nonetheless, Congress Party lost ground in 9 of these State gov'ts. In Bombay and Uttar Pradesh, serious reductions in Congress strength. In Orissa, Congress Party maintained only a small plurality. And in the narrow southwest coastal state of Kerala--India's smallest--the Indian Communist Party has managed to take control of a State Gov't for the first time.

B. Communists in Kerala, with 35% of popular vote, won 60 seats in 127-man Assembly. Congress Party, with 39% of vote, got only 43 seats.

1. Five of six "independents" elected--more anti-Congress than anything else--have thrown support to Commies.

2. Thus, Commies hold ^{ABSOLUTE} coalition majority of 2 seats in Assembly and have formed new State Gov't.

II. Communists--who reportedly were surprised by their success at polls (in '52 election, they took only 32 seats)--face substantial problems in Kerala.

A. One of India's poorest States, with densely-settled population of 14 million, few natural resources and little industry, Kerala is a food-deficit area where most of inhabitants are subsistence farmers or work on tea and copra plantations.

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- B. While poor, people of Kerala are highly literate by Indian standards (45% against national average of 28%). Schools produce 23,000 high-school graduates and 10,000 college graduates each year.

III. However, problems faced by Communists are balanced by opportunities.

- A. Evidently planning to operate with caution, build maximum popularity. "Moderation" is announced Commie watch-word, and operation within limits of Indian constitution their declared intent.
- B. In bids for popular favor, Commies have cut ministerial wages, stayed eviction proceedings for peasants, declared war on corruption, solicited investment private capital in state industrial development.
- C. When attempted nationalization of foreign-held plantations ran into Central Gov't opposition, Commies backed off. However, some attempt at land reform is obvious long-range Commie aim.
- D. If Commies in Kerala can play cards right, their gains will be national, as well as local.
 - 1. Any local economic gains will have nation-wide appeal.
 - 2. Local policy of moderation will tend to make Party more acceptable elsewhere in India--as domestic group, with nationalistic reform program, safely divorced from Moscow and Peiping.
- E. Fruits of any Kerala success likely to be reflected in Orissa, where Commies now hold balance of power between Congress Party (56 seats) and rightist opposition (51 seats) in 140-man Assembly. Another plum is Bombay State, where leadership of Congress Party there) is open to capture by Commies.

- IV. Meanwhile, Congress-dominated Central Gov't can be expected to fight hard against Commies, although avoiding open harassment.
- A. Will exploit any Commie failure to equal or better Congress record of economic improvement in State.
 - B. However, Central Gov't cannot force Commies out of office unless breakdown of "law and order" occurs. Moreover, opposition groups in local Assembly--who, if supported by Commie-allied "independents," could oust Commies in united vote of no confidence--are unlikely to unite for such action in near future.
- V. Thus, likeliest prospect is for Commies to hold office for year or longer.
- A. Barest hope of future improvement should make people of Kerala willing to grant Commies at least that long to prove themselves.
 - B. In interim, US faces embarrassing problem regarding ICA, USIA and similar US-sponsored activities in State, since normal pattern involves active cooperation with State (now Commie) officialdom.